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RUEHOR/AMEMBASSY GABORONE 0276  
RUEHKT/AMEMBASSY KATHMANDU 0282  
RUEHLC/AMEMBASSY LIBREVILLE 0283  
RUEHSJ/AMEMBASSY SAN JOSE 0803  
RUEHSV/AMEMBASSY SUVA 0262  
RUEHNE/AMEMBASSY NEW DELHI 0498  
RUEHBU/AMEMBASSY BUENOS AIRES 5593  
RUEHSG/AMEMBASSY SANTIAGO 0388  
RUEHLP/AMEMBASSY LA PAZ 6292  
RUEHPE/AMEMBASSY LIMA 3834  
RUEHQT/AMEMBASSY QUITO 2493  
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RUEHAC/AMEMBASSY ASUNCION 6869  
RUEHGE/AMEMBASSY GEORGETOWN 1493  
RUEHMN/AMEMBASSY MONTEVIDEO 7399  
RUEHPO/AMEMBASSY PARAMARIBO 1547  
RUEHCV/AMEMBASSY CARACAS 4122  
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SIPDIS

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SUBJECT: OAS DISCUSSES PAYMENT FOR ECOSYSTEM SERVICES IN THE AMERICAS

BRASILIA 00000836 001.2 OF 002

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SUMMARY  
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¶1. Approximately 30 people from nine countries of the Americas (including Paraguay, Bolivia, Peru, Colombia, Argentina, and Brazil) attended the OAS event "Trends in the Implementation of Payments for Ecosystem Services (PES) in the Americas" June 04 in Sao Paulo. The discussion took place within the 12th International Conference on Environmental Law, organized annually by the Brazilian NGO Law for a Green Planet. The day-long event offered an opportunity for countries to share their experiences in environmental conservation through PES and discuss how legislation in each country can stimulate and strengthen PES transactions. END SUMMARY.

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THE GROWING IMPORTANCE OF PES PROJECTS  
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¶2. During the 2006 OAS Meeting of Ministers and High-Level Authorities on Sustainable Development in Santa Cruz (Bolivia), member countries agreed to create incentives for PES projects. Currently, thirteen of the 34 member states of the OAS have Payment for Ecosystem Services (PES) programs with over 400 projects implemented throughout the hemisphere. PES projects include: water basin protection; biodiversity conservation; landscape and scenic beauty conservation; and carbon sequestration.

¶3. According to Richard Huber, Principal Environmental Specialist of OAS's Department of Sustainable Development (DSD), the U.S. has

the greatest number of PES projects in the Western Hemisphere (42%), most of which are related to soil carbon sequestration and coal mine methane recovery. Other WHA countries with a significant number of PES projects include: Costa Rica (12%), Mexico (26%), Brazil (4%), Ecuador (6%), and Colombia (3%).

¶4. The DSD office within OAS is responsible for strengthening hemispheric efforts to protect ecosystems and the services they provide, as well as facilitate access to PES mechanisms through a regional exchange of information, experiences, and lessons learned. The DSD has also been analyzing PES transaction trends and the challenges and contributions of legal and institutional frameworks to the implementation of PES schemes. The product of this analysis is a document titled "Conceptual and Methodological Guidelines for the Design of PES Schemes in Latin America and the Caribbean", and is available online:  
<http://www.oas.org/dsd/SpecialMeetings/PESmeetings.htm>.

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REGIONAL EFFORTS AND SUCCESS STORIES  
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¶5. The "Conceptual and Methodological Guidelines for the Design of PES Schemes" document highlights success stories from Colombia, Peru, Ecuador, and Chile, including the following project summaries.

¶6. In 1997, Bolivia developed one of the world's first projects addressing compensation for carbon sequestration and avoided deforestation project, in the Noel Kempff Mercador Park. This project aims to avoid the emission of nearly 7 million tons of carbon through the conservation of 634 thousand hectares of forest

BRASILIA 00000836 002.2 OF 002

over a 30-year period.

¶7. In Peru, the city of Moyobamba (population 40 thousand), residents pay an extra fee in their water bill to support upper watershed preservation activities by local inhabitants.

¶8. In Ecuador, San Pedro de Pimampiro, Imbabura Province (population 17,285) residents pay an additional 20% above water use charges to support payments to upstream watershed forest landowners. With NGO support, the municipality created its own environmental unit and now performs other environmental management activities.

¶9. In Colombia, the Alexander von Humboldt Institute and CIFOR (Center for International Forestry Research) implemented a PES water project designed to achieve conservation and sustainable use of forests in the Chiriquí basin. Under this PES scheme, water users compensate farmers employing appropriate environmental land practices.

¶10. In Brazil, the government is currently discussing a National Plan for the Payment of Ecosystem Services in which the GOB would be the "broker" of payment schemes, and every PES agreement would be processed by the Ministry of Environment. Implementation of such a plan is likely to be controversial and lengthy.

¶11. COMMENT: OAS is in its first stage of pushing for a hemisphere-wide standard which could guide all member countries. Despite its shy approach to this regional effort, OAS has an opportunity to prove its role in leading conservation efforts throughout the region. END COMMENT

SOBEL